

Nissha Co., Ltd.
Financial Results for FY2023 Q2 Presentation
Q&A Overview
(August 8, 2023)

- Q1. The operating profit of Others in H1 improved from the previous forecast of JPY -1,700 million to JPY -1,214 million. What is the reason?
- A1. The main factor is the impact of posting foreign exchange gains.
- Q2. The full-year forecasts for profit before tax and profit attributable to owners of parent have been revised upward. What is the reason?
- A2. The financial income (foreign exchange gain) that occurred in H1 was reflected.
- Q3. When do you expect the demand for metallized paper in the Industrial Materials business to recover ?
- A3. In addition to inventory adjustments by our customers, the impact of sluggish consumption is beginning to appear. The recovery will probably start from the beginning of next year.
- Q4. Is there any change to the expected upgrade for tablet devices in the Devices business after 2024? In terms of the volume, is there any change to the 2025 target?
- A4. No change in the upgrade opportunity we foresee. As for the exact volume, it is still unclear at this moment, but the expected level of sales expansion remains same.

- Q5. To what extent have you improved the profit margin of the Medical Technologies business compared to the level you are aiming for?
- A5. The operating profit margin for FY2023 H1 was 6%. It has recovered to the pre-Covid-19 pandemic level. We aim to achieve an operating profit margin of 8% or more by 2025. In the long term, we believe we should aim for around 10%.
- Q6. How will the Medical Technologies business achieve its targets of net sales and operating profit for 2025?
- A6. Growth driver is the medical devices CDMO. We will expand net sales by increasing orders from existing customers and transferring production lines from customers. In addition, we will utilize M&A.
- Q7. What is your approach to steering business operations?
- A7. We observe the market environment in cool-headed manner. We closely monitor our assets and expenses to ensure that they are not excessive relative to the demand and competitive environment. If countermeasures become necessary, we will swiftly implement them.